(c) if not, the reasons thereof; and

(d) if foreign investors are granted permission in terms of (b) above, the impact it will have on achieving Government objective of attracting US $ 10 billion in foreign direct investment annually?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Yes, Sir. The foreign investors are required to seek Govt.'s approval for subsequent/downstream investment. It may not be appropriate to permit the holding companies to make the downstream investment without prior permission as the Government must know the details of the activities to be undertaken by the Holding companies.

Further approval by merely providing investment details may not be in consonance with the sector specific policies for foreign direct investment in different sectors.

(d) The meetings of the Foreign Investment Promotion Board (FIPB) are held every week and investment proposals are considered in a compressed time schedule to minimise delays.

Factors for granting approval for setting up a holding company

1298. SHRI V. NARAYANASAMY: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government while granting approval for setting upholding company requires the foreign investor concerned to reapproach Government for investment in each downstream subsidiary;

(b) what individual factors does Government take into account while granting approval for setting up a holding company which will set up downstream subsidiaries to invest in specified approved activities; and

(c) what individual factors does Government take into account while granting subsequent approval for operationalising the downstream subsidiary?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) Yes, Sir. The foreign investors are required to seek Govt's approval for subsequent/downstream investment. It may not be appropriate to permit the holding companies to make the downstream investment without prior permission as the Government must know the details of the activities to be undertaken by the Holding companies.

Further, approval by merely providing investment details may not be in consonance with the sector specific policies for foreign direct investment in different sectors.

Plan to encourage machine tool industry

1299. PROF. RAM KAPSE: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government propose to prepare and implement a growth plan for encouraging machine tool industry;

(b) if so, the details thereof;

(c) whether Government have made any status paper on the conditions of machine tool industry; and

(d) if so, how does Indian machine tool industry compare with those in Taiwan and South Korea?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) Under the New Industrial Policy, investment decisions are taken by the entrepreneurs on the basis of their own commercial perceptions.

(b) Does not arise.

(c) No, Sir.

(d) Does not arise.

Profits and losses by PSUs

1300. SHRI SOLIPETA RAMACHANDRA REDDY: Will the Minister of INDUSTRY be pleased to state the amount of net profits or losses made by

the public sector "Navaratnas" during each of the years 1995-96 and 1996-97?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): The latest available information on net profits earned by the enterprises is for the year 1995-96. The final figures for 96-97 are awaited. The amount of net profits made by the 9 public Sector Enterprises (Navaratnas) during each of the years 1994-95 and 1995-96 are as under:—

Name of the Enterprise	Net Profit (Rs. Crores) 1994-95	1995-96
BHEL	141	350
BPCL	292	386
HPCL	391	514
IOC	1019	1249
IPCL	562	604
NTPC	1125	1353
ONGC	1931	1945
SAIL	1109	1319
VSNL	303	410

Foreign investment in liquor industry

1301. SHRI S. MUTHU MANI: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is true that Government permits foreign investment in India (Liquor industry) only in non-molasses based potable alcohol sector;

(b) whether any multinational company has been allowed to use molasses by deleting the condition on use of only non-molasses alcohol in the production of alcoholic beverages without the consent of the administrative Ministry as has been reported in the press; and

(c) if so, what are the reasons therefor?

THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN): (a) to (c) The Policy of the Government is not to allow fresh capacity creation in potable alcohol sector in Foreign Direct Investment (FDI) proposals. Therefore, Government have been allowing foreign investment in this sector for manufacture of potable alcohol including Indian Made Foreign Liquor (IMFL), within the existing licenced capacity of the Indian joint venture partner so that no fresh capacity is created. So far, approvals given in this sector are in line with Government Policy and as per conditions imposed. All approvals are subject *inter-alia* to the condition that no fresh capacity for manufacture of potable liquor shall be allowed and that the proposed joint venture shall use the existing licenced capacity of the Indian partner who must hold an existing valid licence. The use of raw materials *i.e.*, molasses or non-molasses would depend upon the condition and terms of the existing licence held by the Indian joint venture partner unless otherwise specified by the Government at the time of approval of the foreign collaboration.

While granting approvals for foreign investment in this sector, the recommendations of Ministry of Food Processing Industries and Department of Chemicals and Petrochemicals are duly taken into account by the Foreign Investment Promotion Board (FIPB).

Funds crunch in Praga Tools, Hyderabad

1302. DR. Y. LAKSHMI PRASAD:
SHRI SOLIPETA RAMACHANDRA REDDY:

Will the Minister of INDUSTRY be pleased to state:

(a) whether Praga Tools, Hyderabad is on the verge of closure;

(b) whether Praga Tools, Hyderabad was unable to meet the orders taken from Germany, U.K. and USA owing to funds crunch; and

(c) if so, the action taken to revive the working capital of the undertaking which is on the verge of collapse?